



MONTHLY GRANT REPORT

For the Period of:	Dec 2013				
Name of the Grantee Organization:	African Cotton & Textile Industries Federation				
Project Title:	To develop and deliver value added products & services that directly impact on the competitiveness of the CTA sector & ACTIF sustainability				
Grant Agreement Number:		Project Startup Date:	1 ST Oct 2013	Project end date:	30 th Jan 2014
Project Location:	Countries: Kenya, Uganda , Tanzania, Ethiopia, Rwanda, Burundi, Sudan				

1) Introduction

This report from African Cotton & Textile Industries Federation is for the period of Nov 2013 covering the activities implemented under EATH funding support. The Grant is aimed at building the capacity of grain stakeholders to participate in structured grain trade in the region while working towards attaining the following specific objectives:

The primary objective of this grant is for the support of specific activities aimed at addressing the core challenges facing ACTIF & its members, to strengthen its institutional capacity and developing value added products to enhance the value proposition for our members and develop sustainability.

The core challenges still faced by ACTIF include:

- Limited sustainability model to cover its direct secretariat costs
- Limited Revenue from corporate membership is restricted by the small number of associations that exist, exacerbated by the fact that many of these associations have limited financial capacity to support the cost of Federation membership.
- Limited funding streams to carry out activities of a “developmental” nature such as policy advocacy issues, capacity building & Investment promotion services.

The activities under the grant include:

1. Strengthening of ACTIFs Institutional capacity and Membership

- 1.1. Support EATH's hired consultant to develop marketing strategy for its Cotton Africa Magazine
- 1.2. Engagement of an Sales Agent to develop advertisements for Cotton Africa magazine
- 1.3. Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis

2. Developing and enhancing value added products and services for members

- 2.1 Website development
- 2.2 Engage an AGOA/Trade/Technical Advisor on an independent contract

2) Summary of Activities accomplished between 1st Dec and 31st Dec 2013.

1) STRENGTHENING OF ACTIFS INSTITUTIONAL CAPACITY AND MEMBERSHIP

1.1 Support EATH's hired consultant to develop marketing strategy for its Cotton Africa Magazine

The objective of this ACTIF is for EATH's hired consultant to improve and increase the revenue generated by the trade magazine in order to contribute to the financial sustainability of ACTIF.

The progress made so far is as follows:

- (1) Editorial, Layout and Design.** This is meant to be done by a professional business writer who will also evaluate the articles for publication; preparation of the fashion page as a center spread; Conducting Expert interviews; and preparation of evaluation criteria for quotations.

As of end of December 2013, three business writers had expressed interest. They were invited to present their proposals on the tasks. Two of them declined the offer that was presented to them. Discussions with the last one are ongoing and a final meeting is slated for first week of Jan to hopefully conclude and issue contract.

As a result, the work on editorial, layout & Design is expected to commence and conclude within the month of January 2014.

- (2) Implementation of Advertising Strategy.** This activity is expected to involve: distribution of proposal letters; short listing of applicants; preparation of interview formats; conducting interviews; Sales training; establishing revenue projections and setting sales targets.

As of end of Dec 2013, 130 emails / letters had been sent out to each one of them. Follow up is expected to continue in the month of January 2014.

- (3) Membership rationalization and distribution strategy:** This activity is expected to involve engagement of a distribution company that can distribute the magazines effectively and timely; Prepare a members database consisting of all the members contacts and locations; Develop a database of stakeholders and advertisers who should receive the magazine;

The target audience has been defined into 3 distribution lists: 1) ACTIF Members – This has been prepared and it continues to be updated as more members are developed 2) Service Providers – All companies that supply to the industry, nationally 3) CTA value chain players;

With regard to Distribution company, it was decided that ACTIF will continue playing the role of physical distribution hence no need to engage a distribution company. A strategy of seeking feedback from the target audience is also under development in order to evaluate their responses.

1.2 Engagement of an Sales Agent to develop advertisements for Cotton Africa magazine

This activity is expected to cover recruitment of a Sales agent by ACTIF with the support of the EATH hired consultant and implementation of the marketing strategy that will be developed under activity 1.1 above.

The key responsibilities would be to develop and grow an advertising client base; promote and develop an effective service for the purpose of maximizing sales and revenue; and to seek creative ways to grow the advertising revenue of the publication.

The ultimate objective is to ensure that sufficient revenue is generated in order to sustain the commissions by the second quarter of the magazine.

As of end of Dec 2013, a sales person had been recruited - (Anne Dickson Mutheu). Anne is a holder of a Bachelor of Commerce degree and has two years working experience in customer service and accounts management. She is expected to among other things carry out sales of advertising space.

1.3 Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis

This activity is expected to focus development and publication of Cotton Africa Magazine on topical issues for the dissemination of information, influencing policy decisions, creating awareness on industry positions and generating revenue for ACTIF through advertisements.

This will include outsourcing content generation to a business writer that will ensure professional and relevant content is generated.

The publication will also target to deliver improved stakeholder value with the overall objective of increasing sales revenues for ACTIF.

As of end of Dec 2013, more articles had been drafted by the regular contributors and other guest writers. However more work expected in January with the engagement of a professional business writer.

2) DEVELOPING AND ENHANCING VALUE ADDED PRODUCTS AND SERVICES FOR MEMBERS

Activity 2.1 – Website Development

The objective of this activity is to develop a dedicated organizational website that will be used as the primary tool of communicating with ACTIF's stakeholders. The design to include AGOA information including links to other AGOA resources;

The dedicated ACTIF website is expected to become the face of ACTIF under the domain of

www.actif africa.com which will highlight membership products and services, and various activities of ACTIF including reports generated for the value chain.

ACTIF to engage a consultant/outsource expertise to develop the new website, including:

- Create a new website which will be distinct from the trade linkage site of www.cottonafrica.com, and will focus on the institutional and member services components of ACTIF, giving a new “face” to ACTIF.
- Extract and upload onto the new site, appropriate data/information/agreements (e.g. MOU’s), as guided by ACTIF, from the cottonafrica website.
- Incorporate social media links (twitter, Facebook, LinkedIn), an information ‘share’ function, and a blog/‘ask a question’ functionality.

As of December 2013, a meeting was held with the website design company - Sawa Sawa whereby the concept was discussed. One proposal was received as at end of December 2013. However the discussions and negotiations are expected to be concluded by early January so that the contract can be issued.

Activity 2.2

a) Refine Stakeholder Engagement and Membership Services Strategy

Whilst this activity is ongoing, the work of engaging with stakeholders to receive input, views and suggestions as regards engagement and membership services continued. These included the Ethiopian Textile and Garment Manufacturers Association (ETGAMA), Maa Garments, Kenya Association of Manufacturers, Mauritius Exporters Association, Fine Spinners, CBI, Export Processing Zones Authority (Kenya), Ashton Apparel, Thika Cloth Mills, Mefa Creations, TJ’s (tailor-made jeans), Blue Omnibus, GEFP Madagascar, Rwanda Development Board, Gelevenor Textiles, Apparel Manufacturers of South Africa, Voi Industries, International Business and Trade Tanzania Initiative, Textile Development Unit (Ministry of Industry and Trade Tanzania, Tanzania Cotton Board, S.M Holdings, Kwanza Collection, and the Tanzania Women and Textile Association.

Initial work and activity focus covered an overview of the organization, identifying work programs that relate to stakeholder engagement activities, identifying the cross-section of stakeholders likely to have an impact on ACTIF, and identifying individuals or groups that are likely to affect, or be affected by the organizations actions, policies and services offered. Additionally, the current suite of ACTIF membership services and other stakeholder products currently offered was reviewed.

b) Concept Paper for a dedicated ‘AGOA Window’ Resource Platform

The first area of work, and in the context of the EAC, has been identifying and obtaining information on the practical steps that exporters need to know to conduct trade under AGOA; the “country specific” visa requirements, procedures, timings and costs; and any barriers, inefficiencies or bottlenecks being experienced by exporters. Four countries have been covered to date, Kenya,

Ethiopia, Tanzania and Rwanda. Uganda will be visited in January.

The second area covered has focused on the design layout and ‘tab’ content for the ‘AGOA Window’ Resource Platform, which will assist the web developer of the new ACTIF website in identifying what needs to be incorporated into the design. Meetings were held with the web developer (SawaSawa) in December, and development of the content will continue in January.

c) New ACTIF website

During December, an ACTIF website development document – “A New Face for ACTIF” was produced, setting out the concepts, scope, proposed design, and content requirements envisaged for the new portal. Following consultative meetings with ACTIF management and SawaSawa (the web developers), a project proposal was constructed and submitted, which will now pave the way, and form the basis for work to commence. ACTIF management is in the process of negotiating the cost structure before work actually starts. This is expected to conclude in early January for the development work to commence.

d) Origin Africa brand / strategy

1.

Trade Mark Registration

Following the application with the Kenya Trade Marks Registry of the registration of the Origin Africa ‘Collective Mark’, Kaplan & Stratton have advised that no opposition appears to have been filed by third parties against the application within the prescribed period of 60 days after its advertisement. However, they cannot be entirely sure of this as the trade marks registry is very inefficient in filing notices of opposition on correct files and forwarding copies of such notices of opposition to applicants or their advocates in a timely manner. The situation continues to be monitored.

Only once the Kenya registration certificate has been issued, can an application be filed at the Madrid office of WIPO for China, the European Union, India, U.S.A., and separately, South Africa, not being part of the Madrid Protocol. All is ready for this to happen, subject to confirmation of available funds to cover the registration/filing costs. The official fees to file an application for a collective mark at the Madrid office of WIPO in four classes designating China, European Union, India and U.S.A. are estimated at CHF5,210 (Swiss francs), whilst for South Africa, it is estimated at around US\$2,000. These estimates do not include Kaplan & Stratton’s professional fees.

It has been confirmed that the registration of the mark in Kenya does not cover the rest of the EAC. If other EAC/COMESA countries are to be covered, then applications for the registration of the mark in those countries will have to be done individually for each country.

2. Origin Africa – Concept, Use, Criteria, Methodology

A position paper detailing the ‘concept and use’, and the ‘criteria, methodology and rules’ as they

relate to Origin Africa has been completed. The document describes the prime focus of the use of Origin Africa, which centers on activities and programs that will create revenue generation and therefore contribute to ACTIF's sustainability objectives. The prime flagship 'vehicle' for achieving this will be in the form of trade events and expo's encompassing the full spectrum of the fiber-to-fashion supply chain.

Some of the objectives, detailed more fully in the document, are to:

- Provide a forum for a global audience of retailers, brands, business leaders and designers, to establish linkages with African industry, and to do business.
- Provide a platform for suppliers and buyers to explore investment opportunities.
- Hold topical symposiums and seminars with a focus on business, trade, investment, technology transfer and innovation.
- Provide a platform to promote and increase trade under AGOA.
- Through Origin Africa events, develop linkages and trade opportunities between the European Union and Africa.
- Provide a vehicle to enhance the profile of ACTIF in its support and development of the CTA value chain, bringing East, West and South together under one event.
- Create a significant annual revenue stream for ACTIF that will support the ACTIF secretariat, its activities and other programs connected to member services.
- Obtain industry buy-in to develop the concept of introducing an Origin Africa "Label" for selected CTA products that are produced, manufactured and made in Africa.
- To engage and collaborate with the three USAID Trade Hubs to link East, West and Southern African businesses and stakeholders, cross-pollinate ideas and trade information, and to generally promote trade, regional integration, investment and job creation; and to advance the objectives of USAID programs carried out through its trade hub activities.

The criteria, methodology and rules governing the use of the ORIGIN AFRICA (Device) as a collective Trade Mark under Section 40A (2) and (3) of the Kenya Trade Marks Act Cap 506 are also enumerated in the paper. Amongst numerous aspects, they cover;

- Registration and conditions for use of the mark;
- The specification and coverage of goods and services;
- Licenses;
- Infringements and threats of infringement;
- Power of inspection and delegation; and
- Amendment of the regulations and appeals.

3. Origin Africa – Draft MOU between ACTIF and USAID East Africa

A draft cooperation arrangement between ACTIF and USAID East Africa has been constructed, covering the usage of Origin Africa. It is noted that USAID wishes to build on its investments over the past decade supporting the CTA sectors in sub-Saharan Africa, by continuing to promote Africa as a reliable sourcing destination for buyers, and to meet the economic growth objectives of the PATA initiative, as enumerated in the activities and goals of the proposed U.S. Trade and Investment Center (TIC) in East Africa. . It is also recognized that USAID, through its proposed TIC program, wishes to

build on the Origin Africa awareness campaign built up during the tenure of EATH.

To this end, it is accepted that the continued use of the Origin Africa mark by USAID and/or its programs continues, provided the activities and use thereof are within and abide by, the parameters of the rules governing the Origin Africa Trade Mark, as registered under the ACT. The MOU enumerates this alliance and cooperation arrangement, and input from the respective parties is underway.

I) Other Non-Grant activities completed

II) Textile Policy Research for Kenya

In partnership with Business Advocacy fund (BAF)

Following launch of the Textile Policy report and recommendations in June 2013, ACTIF initiated engagement with the private sector to advocate for policy changes to protect and grow the Textile Industry.

During the month of December 2014, a meeting was held with BAF to discuss the final report and a strategy for Textile Advocacy in order to achieve the policy changes desired. It was agreed that a proposal be submitted in early January for consideration to cover 6 months of advocacy.

III) AGOA Outreach activity

In partnership with the Business Advocacy Fund (BAF).

The objectives of the AGOA outreach activity in Kenya is to engage with private sector players in Kenya who are currently exporting under Africa Growth & Opportunity ACT (AGOA) or with the potential to export under AGOA in order to establish information on AGOA awareness as well as develop policy recommendations at national and international level to ensure more participation by the private sector under AGOA.

The intended outcome is to develop a strong position for both ACTIF and for Kenya Government to present at the annual AGOA forum scheduled to be held in Ethiopia between 27th June and 2nd July 2013. The AGOA forum is a powerful advocacy forum that will bring together key US Government from the Trade departments, US Congress and Senate representatives, Private Sector and Civil society members, Africa Ministers of Trade among other industry stakeholders. This will therefore be an excellent platform to present Kenya and ACTIF position, being key stakeholders in AGOA

During the month of December 2014, a meeting was held with BAF to discuss the progress report way forward with regard to AGOA advocacy. ACTIF proposed an amendment to the activity to support one representative to travel to Washington to participate in a Testimonial Investigation on AGOA in order to present its member's views.

IV) Business Sustainability Support

In partnership with the Business Advocacy Fund (BAF).

This activity is aimed at assisting ACTIF to build sustainability in line with its organization business plan.

Key activities conducted during the month of Aug include:

- Membership development
- Promotion of Cotton Africa Magazine
- Update of Origin Africa concept

During the month of December, a meeting was held between ACTIF, CBI and DANIDA to discuss on the Origin Africa Concept. In principle, CBI and DANIDA committed to provide some form of support with the former keen to support the Home Textile Component and the latter keen to support participation of Danish Buyers to the Origin Africa event.

A promotional trip for branding Origin Africa was made by ACTIF Chairman Mr. Jaswinder Bedi to India.

Membership development and promotional activities for Cotton Africa Magazine are on-going.

V) Proposed Regional Centre of Excellence

The proposed Regional Centre of Excellence is an initiative that ACTIF is spearheading to address the critical challenge of limited skilled man power in the textile and apparel sector across the region that has resulted in a high reliance on expatriates. This activity is also in line with COMESA cotton to clothing regional strategy.

During the month of December, a sub committee met and proposed a working

Viii) Proposed BCI Cotton Project in Kenya

This initiative being championed by ACTIF proposing a full value chain project under BCI cotton. Currently ACTIF is mobilizing stakeholders to develop support including Solidaridad, IFDC, Value added in Africa and some Danish companies.

Solidaridad in partnership with Cotton Development Authority are already in the process of initiating cotton production under BCI initiative in Kenya.

During the month of December, several meetings were held to develop an application for value addition activities targeting East Africa. The application was eventually submitted to Trade Marks – TRAC Fund.

IX) Proposed silk project

This is another Niche project that is being proposed by ACTIF in partnership with the International Centre of Insect Physiology and Ecology (ICIPE). The concept proposes to expand the silk production project

already under existence with ICIPE to a full value chain project that targets niche market in Europe to purchase at a premium. The target international partner is Best Seller;

No update was received during the month of December as a response from Best Seller is still awaited on their commitment.

X) Source Africa 2014

ACTIF with the support of South Africa Trade Hub, American Apparel & foot ware Association and LTE to implement series of seminars during Source Africa event to be held between 6th and 8th May 2013, in Cape Town South Africa. This is at the back drop of Source Africa 2012 event where ACTIF was involved in organizing the Breakfast Seminars which was well received by the participants.

During the month of December 2013, ACTIF provided its input in the planning of the event by participating in conference calls and also through interaction over email. This included proposed panelists for the seminar series and also suggestions for key note speakers during the opening session.

ACTIF also initiated promotional activities to its members including posting a banner on ACTIF website with link to Source Africa Website and Email alerts to members.

3) Major activities planned for the month of Jan 2014:

- 1) Recruitment of a professional Business writer;
- 2) Development and Promotional activities for the Cotton Africa Magazine;
- 3) Design activities for ACTIF Member website;
- 4) Further engagement with members under AGOA Project and stakeholders engagement strategy;
- 5) Continue follow up on Origin Africa planning activities;
- 6) Submit proposals for advocacy activities to Business Advocacy Fund

Status of Implementation Activities to Date

Activities	Expected Deliverables	Due Date	Achievements in Dec 2013
Result #1: STRENGTHENING OF ACTIFS INSTITUTIONAL CAPACITY AND MEMBERSHIP:			
(1.1) Support EATH's hired consultant to develop marketing strategy for its Cotton Africa Magazine	Redesign of Cotton Africa Magazine; Production of 2 issues Sustainability Strategy for Magazine;	Nov 2013 – Jan 2014	Implementation Plan developed; Interviews conducted for Business Writers. Two decline the offer and discussions with one more expected to conclude in January.

(1.2) Engagement of an Sales Agent to develop advertisements for Cotton Africa magazine	Progress reports on interviews;	Nov 2013 - Jan 2014	Interviews were conducted and Anne Dickson Mutheu was recruited. She is a holder of a Bachelor of Commerce degree and has two years working experience in customer service and accounts management.
(1.3)Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis	Two Quarterly issues	Nov 2013 - Jan 2014	Additional materials for Cotton Africa Magazine compiled;
Result #2: DEVELOPING AND ENHANCING VALUE ADDED PRODUCTS AND SERVICES FOR MEMBERS			
Activity 2.1 – Website Development	Improved ACTIF Website with dedicated Member Section & AGOA information	Nov 2013 - Jan 2014	Concept for new website discussed with Website Consulting Company.
<u>(Activity 2.2</u> a) Refine Stakeholder Engagement and Membership Services Strategy b) Concept Paper for a dedicated ‘AGOA Window’ Resource Platform c) New ACTIF website d) Origin Africa /Brand Strategy	Stakeholders engagement strategy developed; Concept paper on Project AGOA developed; Contribution to new ACTIF Website; Origin Africa Brand Strategy developed	Nov 2013 - Jan 2014	Consultation has been done with ACTIF Members in EAC. The Consultant is currently in the process of compiling the report and strategy. Initial work on Project AGOA commences; Discussion with Website Consulting firm held. Initial proposal presented. Discussions expected to be concluded in Jan and contract issued Tracking of Origin Africa registration;

Deliverables:**Magazine Activity**

- 1) Contract for Sales Assistant
- 2) CV for Sales Assistant
- 3) Cotton Africa Adverts-Follow up Template
- 4) Sample letters for seeking adverts
- 5) Progress report for December from Magazine Consultant

ACTIF Website

- 6) ACTIF Website Development document – Concepts and Requirements. This is the completed design, content and layout document.
- 7) ACTIF Web Design Proposal from SawaSawa – paving the way for work to commence.

Origin Africa – Brand Strategy

- 8) Origin Africa Concept-Use-Criteria-Methodology
- 9) ACTIF-USAID MOU (Origin Africa) – draft – together with:
 - a. The Nice classification headings
 - b. The Nice classification Class 35 detail
- 10) Member country subscribers to the Madrid Agreement / Protocol

BAF AGOA Outreach Activity

- 11) Quarterly Report as at end of Dec 2013
- 12) ACTIF Submission to be presented during AGOA testimonial in Washington

BAF Textile Policy Activity

- 13) Draft Application for Advocacy Project in 2014

Regional Center of Excellence

- 14) Implementation Plan for 2014 (Draft)

Source Africa Event

- 15) Inception Report